



CNA Center
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Dear Policyholder:

On March 10, 2020, New York State’s Department of Financial Services (“NYS DFS”) issued an instruction to all authorized property/casualty insurers requesting that they inform policyholders of the benefits and protections that may be available to them in connection with COVID-19. Consistent with that directive, this letter is intended to help you understand what coverage may be available to you under your commercial property insurance policy issued by Continental Casualty Company or one of its subsidiaries or affiliates (hereafter “CNA”).

It is important to understand that determining whether there is coverage for a COVID-19 related loss would be based on the facts of an actual claim and the terms and conditions of the particular policy we issued to you. As a result, this letter cannot, and does not, address how the terms, conditions and limitations of your policy might apply to an actual COVID-19 loss.

At the outset, we refer you to the specific terms, conditions, limits, limitations, definitions, and exclusions contained in your policy, a copy of which was issued to you when you purchased your coverage from CNA. While your policy is the definitive source of information about your coverage, and we always recommend that you review your entire policy and confer with your broker or agent if you have any questions, in order to assist you in understanding the coverage that may be available to you under your policy, we have outlined some basic information about the types of coverage that your policy may provide. Additionally, certain terms, conditions, and exclusions in the policy may limit or preclude coverage. For example, many policies exclude coverage for loss or damage caused by microbes, contaminants, or pollutants, among other perils.

Among other coverage types, your policy may include coverage for business interruption, civil authority, and/or contingent business interruption. You can determine whether you have coverage for business interruption, civil authority, and/or contingent business interruption by examining the declarations pages of your policy.

Business Interruption/Time Element Coverage

While the specific terms, conditions, and exclusions of policies issued by CNA may vary, in general, coverage for business interruption is typically triggered by a covered property loss that results in business interruption. A classic example of a business interruption loss is a fire in your office that requires you to suspend your business activities because the fire has caused direct physical loss or damage to insured property. Because coverage varies across policies, you will need to read your policy and consult with your insurance broker or agent for more specific information, but in general, in order to qualify for business interruption coverage (sometimes also referred to as “time element” coverage), you first would need to establish direct physical loss or damage, caused by a covered peril, to your covered property and/or property at a covered location. To invoke coverage for business interruption, that direct physical loss or damage must cause an interruption to your business.



Civil Authority Coverage

While the specific terms, conditions, and exclusions of policies issued by CNA may vary, in general, in order to qualify for civil authority coverage, you first would need to demonstrate that a civil authority took an action (such as an order) in response to actual direct physical loss or damage to property away from your insured location caused by a covered peril. Typically, civil authority coverage requires the impacted property to be within a certain geographic distance to your insured location, and the civil authority action must prohibit access to your covered locations. Civil authority coverage often requires the property damaged to be of the same type insured by the policy.

Contingent Business Interruption Coverage/Supply Chain/Dependent Property Coverage

While the specific terms, conditions, and exclusions of policies issued by CNA may vary, in general, contingent business interruption coverage (which may also be referred to as supply chain disruption or dependent property coverage) is available when a business that you depend upon for certain specified functions is interrupted due to a direct physical loss or damage caused by a covered peril. In order to qualify for this coverage, you first would need to establish that the impacted business's operations were disrupted by actual direct physical loss or damage to their property caused by a covered peril, and that you depend upon that business, as set forth in the policy's terms and conditions, in order to trigger coverage. In some instances, this coverage may be limited to interruptions caused by physical loss or damage to particular property you depend upon that is at the dependent property location scheduled in your policy.

General Information About Coverages

It bears mention that the March 7, 2020 order declaring a State of Emergency in New York in response to the COVID-19 event does not change any of the existing terms, conditions, limits, limitations, definitions, and exclusions contained in your policy.

Deductibles and certain waiting periods or qualifying periods may be applicable to each coverage type described above. Information about deductibles and waiting periods/qualifying periods can be found on the declarations pages of your policy and/or within the specific section of the policy that discusses each coverage type. In addition, your policy may limit the amount that will be paid, or the time period for which payment will be made, for a covered loss.

In general, in order to trigger coverage for business income, civil authority, and/or contingent business income, direct physical loss or damage must be caused by a covered peril. Additionally, certain terms, conditions, and exclusions in the policy may limit or preclude coverage. For example, many policies exclude coverage for loss or damage caused by microbes, contaminants, or pollutants, among other perils.

While we cannot evaluate whether coverage is available to you in the absence of a reported claim, we have attempted to provide you with information to assist you in assessing the coverage that may be



available to you under your policy. We ask that you refer to your policy for specific information about your coverage and consult with your insurance agent or broker to learn more about the coverage your policy provides. If you believe that you may have sustained a covered loss, we urge you to promptly report it to CNA.

In the event that you wish to report a claim, please reach out to us by phone at 877-CNA-ASAP and/or e-mail in accordance with the notice provisions of your policy. Once your claim is reported, a claim professional will be assigned to assist you and will make contact with you, typically within 24 hours, to acknowledge receipt of your claim. Your designated claim professional will answer any questions that you have concerning coverage for your claim and will stay in regular communication as your claim is fully investigated and your policy evaluated for potential coverage. The claim professional will determine what coverage, if any, is available for your claim. Our skilled claim professionals are dedicated to working diligently with you, so that you can remain focused on your business.

As noted above, this communication is offered to assist you in evaluating what coverage may be available to you in compliance with the NYS DFS directive. It is not intended to suggest that coverage is or is not available to you for any particular loss that you may have sustained, and it is not an evaluation of your policy's specific terms and conditions. The general information provided in this letter does not change the terms, conditions, limits, limitations, definitions, and exclusions of your policy with CNA.

For additional information, we also direct you to the NYS DFS's website, at:
https://www.dfs.ny.gov/consumers/coronavirus/business_interruption_insurance_faqs.

We fully appreciate that the COVID-19 event may already have created disruption to many of your daily activities, including your commercial operations, and we hope that this information is helpful to you in assessing your insurance coverage during this challenging time. We also thank you for being a valued policyholder.